# Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kenfucky 41 102

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

August 31, 2004

RECEIVED

Case #: 2004-00??? SEP 0 1 2004

PUBLIC SERVICE COMMISSION RECEIVED

SEP 1 2004

PSC
FINANCIAL ANALYSIS

Case 2004-00352

Dear Mr. Dorman

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of *American* Natural *Gas* Corporation (*ANGC*) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2004-00??? The calculated gas cost recovery rate enclosed in this report is \$6.4251 and the base rate is \$4.24. The minimum billing rate starting July 01,2004 should be \$10.8451 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

H M.C

Mr Jaid Enterman President

Enclosure

606 324-3920 Fax: 606 325-2991

#### SCHEDULE I

# GAS COST RECOVERY RATE SUMMARY

СО	MPONENT	UNIT	AMOUNT
EXPECTED GAS CO + REFUND ADJUSTN	OST ADJUSTMENT (EGCA)	\$/MCF	\$6.6690
	· · · · · · · · · · · · · · · · · · ·	\$/MCF	\$0.0000
	JUSTMENTS (ACA)	\$/MCF	(\$0.2439)
= GAS COST RECOV	ERY RATE (GCRR)	\$/MCF	\$6.4251
GCRR to be effective f	for service rendered from July 1, 2004 to September 30, 2004		
<b>A</b> .	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED	GAS COST ( SCHEULE II)	\$	\$571,706.69
/ SALES FOR THE 12	MONTHS ENDED Jun-04	MCF	85,726
= EXPECTED GAS CO	OST ADJUSTMENT (ECA)	\$/MCF	\$6.6690
<b>15</b> .	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	ER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
+ SECOND PREVIOU	S QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
= REFUND ADJUSTM	ENI (RA)	\$/MCF	\$0.00
C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
	FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	\$0.0249
	ER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0075)
+ SECOND PREVIOU	S QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.2360)
+ THIRD PREVIOUS (	QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0253)
= ACTUAL COST ADJ	USTMENT (ACA)	\$/MCF	(\$0.2439)

SCHEDULE II
EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR	12 MONTHS E	NDED Ju	in-04		
(1)	(2)	(3)	(4)	(5)	(6)
		BTU			(4)*(5)
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
		FACTOR			
North Coast Energy	0	1.0740	0	\$5.500	\$0
MARATHON PETROLEUM CORP.	88,298	1.0300	85.726	\$6.500	\$557,219
TENNESSEE GAS PIPELINE	0	1.0300		\$0,000	\$0
COLUMBIA GAS	0	1,1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
KOG	0	1.1000	0	\$0,000	<b>\$</b> 0
ADJUSTMENT FOR ANTICIPATION	OF DECREASE	D PURCHASE REO	UIREMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
					•
TOTALS	88,298	1.0300	85,726	\$6.50	\$557,219.00
			Uì	NIT.	AMOUNT
TOTAL EXPECTED COST OF PUR	RCHASES (6)		\$ MCF \$/MCF		\$557,219.00
/ MCF PURCHASES (4)	•				85,726
= AVERAGE EXPECTED COST PE	R MCF PURCHA	ASED			\$6.5000
* ALLOWABLE MCF PURCHASES			Mo	CF	87,955
(MUST NOT EXCEED MCF SALE					
= TOTAL EXPECTED GAS COST (	TO SCHEDULE	IA.)	\$		\$571,706.69
					*

# SCHEDULE III

# SUPPLIER REFUND ADJUSTMENT

#### DETAILS FOR THE 9 MONTHS ENDED

Jun-04

PARTICULARS		UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0,00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTER	EST	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED	Jun-04	MCF	85,726
= SUPPLIER REFUND ADJUSTMENT FOR THE (TO SCHEDULE IB.)	REPORTING PERIOD	\$/MCF	\$0.00

#### SCHEDULE IV ACTUAL ADJUSTMENT

For the 3 month period ended:		Jun-04				
·	Particulars		Unit	(Apr-04)	(May-04)	(Jun-04)
Total Supply Volumes Purchased	d		Mcf	5,772	2,906	2,715
Total Cost of Volumes Purchased	đ		\$	\$33,758	\$18,713	\$17,750
Total Sales (may not be less than 95% of						
supply volumes)			Mcf	5,684	2,815	2,652
Unit cost of Gas			\$/Mcf	\$5.9390	\$6.6476	\$6.6929
EGC in effect for month			\$/Mcf	\$6.1060	\$6,1060	\$6,1060
Difference [(Over-)/Under-Recovery]			\$/Mcf	(\$0.1670)	\$0.5416	\$0,5869
Actual sales during month			Mcf	5,684	2,815	2,652
Monthly cost difference			\$	(\$948.96)	\$1,524.51	\$1,556.47
				Unit		Amount
Total cost difference (Month 1 +	Month 2 + Month 3)			\$		\$2,132.02
Sales for 12 Months ended		Jun-04		Mcf		85,726
Actual Adjustment for the Report	ing Period			S/M	र्टा	\$0.0249

#### SCHEDULE I

#### GAS COST RECOVERY RATE SUMMARY

COMPONENT	UNIT	AMOUNT
EXPECTED GAS COST ADJUSTMENT (EGCA) + REFUND ADJUSTMENT (RA) + ACTUAL COST ADJUSTMENTS (ACA) = GAS COST RECOVERY RATE (GCRR)	\$/MCF \$/MCF \$/MCF \$/MCF	\$6.6690 \$0.0000 (\$0.2439) \$6.4251
GCRR to be effective for service rendered from July 1, 2004 to September 30, 2004		
A. EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST ( SCHEULE II)  / SALES FOR THE 12 MONTHS ENDED Jun-04	\$ MCF	\$571,706.69 85,726
= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$6.6090
B. REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND ADJUSTMENT FOR REPPORTING PERIOD(SCHIII) + PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT + SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT + THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT = REFUND ADJUSTMENT (RA)	\$/MCF \$/MCF \$/MCF \$/MCF \$/MCF	\$0,00 \$0,00 \$0,00 \$0,00 <b>\$0.00</b>
C. ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)  + PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT  + SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT  + THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT  = ACTUAL COST ADJUSTMENT (ACA)	\$/MCF \$/MCF \$/MCF \$/MCF \$/MCF	\$0.0249 (\$0.0675) (\$0.2360) (\$0.0253) (\$0.2439)

# SCHEDULE II EXPECTED GAS COST ADJUSTMENT

ACTUAL * MCF PURCHASES FOR	12 MONTHS E	NDED J	un-04		
(1)	(2)	(3)	(4)	(5)	(6)
		BTU	,		(4)*(5)
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
		FACTOR			
North Coast Energy	0	1.0740		\$5.500	\$0
MARATHON PETROLEUM CORP.	88,298	1.0300	85,726	<b>\$</b> 6,500	\$557,219
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000	\$0
COLUMBIA GAS	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0.000	\$0
KOG	0	1.1000	()	\$0,000	\$0
ADJUSTMENT FOR ANTICIPATION	OF DECREASE	D PURCHASE REG	DURFMENTS		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	99 309	1.0200			
1017103	88,298	1,0300	85,726	\$6.50	\$557,219.00
TOTAL EVALUATION AGAIN OF THE			UN	NT.	AMOUNT
TOTAL EXPECTED COST OF PUR	CHASES (6)		\$		\$557,219.00
/ MCF PURCHASES (4)			MCF		85,726
= AVERAGE EXPECTED COST PER	MCF PURCHA	SED	\$/MCF		\$6.5000
* ALLOWABLE MCF PURCHASES			MO	CF .	87,955
(MUST NOT EXCEED MCF SALES					
= TOTAL EXPECTED GAS COST (T	O SCHEDULE I	A.)	\$		\$571,706.69

# SCHEDULE III

# SUPPLIER REFUND ADJUSTMENT

# DETAILS FOR THE 9 MONTHS ENDED

Jun-04

PARTICULA	RS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		S	\$0,00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INT	EREST	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED	Jun-04	MCF	85,726
= SUPPLIER REFUND ADJUSTMENT FOR T (TO SCHEDULE IB.)	HE REPORTING PERIOD	\$/MCF	\$0.00

#### SCHEDULE IV ACTUAL ADJUSTMENT

For the 3 month period ended:	Jun-04				
Particulars		Unit	(Apr-04)	(May-04)	(Jun-04)
Total Supply Volumes Purchased		Mcf	5,772	2,906	2,715
Total Cost of Volumes Purchased		\$	\$33,758	\$18,713	\$17,750
Total Sales (may not be less than 95% of					
supply volumes)		Mcf	5,684	2,815	2,652
Unit cost of Gas		\$/Mcf	\$5.9390	\$6.6476	\$6.6929
EGC in effect for month		\$/Mcf	\$6.1060	\$6,1060	\$6.1060
Difference					
[(Over-)/Under-Recovery]		\$/Mcf	(\$0.1670)	\$0.5416	\$0.5869
Actual sales during month		Mcf	5,684	2,815	2,652
Monthly cost difference		\$	(\$948.96)	\$1,524.51	\$1,556.47
			1:	nit	Amount
			O.	.u.	Amount
Total cost difference (Month 1 + Month 2 + Month 3	3)		\$		\$2,132.02
Sales for 12 Months ended	Jun-04		М	cf	85,726
Actual Adjustment for the Reporting Period			\$/.	Mcf	\$0.0249

#### SCHEDULE I

#### GAS COST RECOVERY RATE SUMMARY

COMPONENT	UNIT	AMOUNT
EXPECTED GAS COST ADJUSTMENT (EGCA) + REFUND ADJUSTMENT (RA) + ACTUAL COST ADJUSTMENTS (ACA) = GAS COST RECOVERY RATE (GCRR)  GCRR to be effective for service rendered from July 1, 2004 to September 30, 2004	\$/MCF \$/MCF \$/MCF \$/MCF	\$6.6690 \$0.0000 (\$0.2439) \$6.4251
30, 2004 to September 30, 2004		
A. EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST ( SCHEULE II) / SALES FOR THE 12 MONTHS ENDED Jun-04	\$ MCF	\$571,706.69 85,726
= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$6 6690
B. REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
SUPPLIER REFUND ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)  + PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT  + SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT  + THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT  = REFUND ADJUSTMENT (RA)	\$/MCF \$/MCF \$/MCF \$/MCF \$/MCF	\$0.00 \$0.00 \$0.00 \$0.00 <b>\$0.00</b>
C. ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)  + PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT + SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT + THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT = ACTUAL COST ADJUSTMENT (ACA)	\$/MCF \$/MCF \$/MCF \$/MCF \$/MCF	\$0.0249 (\$0.0075) (\$0.2360) (\$0.0253) (\$0.2439)

# SCHEDULE II

# EXPECTED GAS COST ADJUSTMENT

(1)	(2)	(3)	(4)	(5)	(6)
CUTTON TOWN		BTU			(4)*(5)
SUPPLIER	DTH	CONVERSION	MCF	RATE	COST
North Coast Energy	0	FACTOR		en er er o	
MARATHON PETROLEUM CORP.	88,298	1,0740	0	\$5,500	\$0
TENNESSEE GAS PIPELINE	00,298	1.0300	85,726	\$6.500	\$557,219
COLUMBIA GAS	0	L.0300 L.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.10(%)		\$0,000	\$0
COASTAL GAS MARKETING	0	1,1(XX) 1,1(XX)		\$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000	\$0
COASTAL GAS MARKETING	ő	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	ő	1.1000		\$0.000	\$0
COASTAL GAS MARKETING	0	1,1000		\$0,000 \$0,000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000 \$0.000	\$0
COASTAL GAS MARKETING	0	1.1000		\$0,000 \$0,000	\$0 \$0
KOG	0	1,1000	0	\$0.000	\$0 \$0
ADJUSTMENT FOR ANTICIPATION	OF DECREASE	TO PURCHASE REGI	IID EXTENITO		
MARKETER	0	1.0350	0	\$0.00	\$0
TOTALS	88,298	1,0300	85,726	<b>\$</b> 6,50	£££7.310.00
	<b>,-</b>	1.0500	00,720	<b>\$0</b> ,50	\$557,219.00
			UN	<b>IIT</b>	AMOUNT
TOTAL EXPECTED COST OF PUR	CHASES (6)		UN \$	пт	AMOUNT \$557,219.00
MCF PURCHASES (4)	, ,				
MCF PURCHASES (4) - AVERAGE EXPECTED COST PER	, ,	SED	\$ M(		\$557,219.00
TOTAL EXPECTED COST OF PUR MCF PURCHASES (4) AVERAGE EXPECTED COST PER ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALE)	MCF PURCHA	SED	\$ M(	CF MCF	\$557,219.00 85,726

# SCHEDULE III

# SUPPLIER REFUND ADJUSTMENT

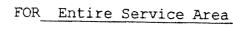
# DETAILS FOR THE 9 MONTHS ENDED

Jun-04

PARTICULARS		UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED		\$	\$0.00
+ INTEREST = REFUND ADJUSTMENT INCLUDING INTERE	EST	\$ \$	\$0.00 \$0.00
/ SALES FOR 12 MONTHS ENDED	Jun-04	MCF	85,726
= SUPPLIER REFUND ADJUSTMENT FOR THE (TO SCHEDULE IB.)	REPORTING PERIOD	\$/MCF	\$0.00

#### SCHEDULE IV ACTUAL ADJUSTMENT

For the 3 month period ended:	Jun-04				
	Particulars	Unit	(Apr-04)	(May-04)	(Jun-04)
Total Supply Volumes Purchased	1	Mcf	5,772	2,906	2,715
Total Cost of Volumes Purchased	ı	\$	\$33,758	\$18,713	\$17,750
Total Sales (may not be less than 95% of					,
supply volumes)		Mcf	5,684	2,815	2,652
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EGC in effect for month		\$/Mcf	\$6.1060	\$6.1060	\$6,1060
Difference					
[(Over-)/Under-Recovery]		\$/Mof	(\$0.1670)	\$0,5416	\$0.5869
Actual sales during month		Mcf	5,684	2,815	2,652
Monthly cost difference		\$	(\$948.96)	\$1,524.51	\$1,556.47
			Unit		Amount
					) MARAGEME
Total cost difference (Month 1 + M	Ionth 2 + Month 3)		\$		\$2,132.02
Sales for 12 Months ended	Jun-04		Mef		85,726
Actual Adjustment for the Reportin	g Period		\$/Mc	f	\$0.0249
			- 1116		JU.U249



# Natural Energy Utility Corporation 192

2560 Hoods Creek Pike \* Ashland, Kenjacky 41102

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CANCELLING P.S.C. KY. NO. I

SHEET NO. \_J\_

#### RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$10.8451 - covers 0-1 MCF

Cost Per MCF: \$10.8451

A copy of the Company's billing format is attached on Sheet 21.

2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).

3) CUSTOMER CLASSIFICATIONS:

Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial:Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE_05/20/02 DATE  MONTH DAY YEAR	EFFECTIVE 010/01/04
ISSUED BY H. JAY FREEMAN H. NAME OF OFFICER	MONTH DAY YEAR  MGR. 725: 12 +
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